

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

FILED

APR 14 2011

PURSUANT TO ROH Sec. 1-2.4

ORDINANCE _____

BILL 38 (2009)

A BILL FOR AN ORDINANCE

RELATING TO THE REAL PROPERTY TAX CREDIT FOR LOW-INCOME HOMEOWNERS.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to modify the requirements regarding the real property tax credit for low-income homeowners.

SECTION 2. Section 8-13.2, Revised Ordinances of Honolulu 1990 ("Real property tax credit established"), as amended, is amended to read as follows:

"Sec. 8-13.2 Real property tax credit established.

- (a) An owner shall be entitled to a real property tax credit equal to the amount by which the taxes calculated for the property exceed four percent of the titleholders' income, provided:
- (1) The owner has been granted the home exemption under Section 8-10.4 at the time the application is filed;
 - (2) The taxes owed for the tax year immediately succeeding the date of the application for the tax credit exceed four percent of the titleholders' combined income for the calendar year immediately preceding the date of the application;
 - (3) The combined income of all titleholders of the property for the calendar year immediately preceding the date of the application does not exceed [\$50,000;] \$60,000;
 - (4) No titleholder owns any other real property anywhere during the applicable tax year;
 - (5) The titleholders have not violated Section 8-13.5;
 - (6) The amount of the tax after applying the credit shall not be less than the minimum tax required in Section 8-11.1(g);
 - (7) If the taxes owed less any other one-time tax credit are less than or equal to four percent of all titleholders' combined income for the calendar year



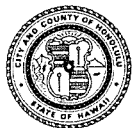
A BILL FOR AN ORDINANCE

immediately preceding the date of the application, no credit shall be applied;

- (8) The titleholder(s) of the property filed income tax returns, if required under Hawaii income tax law and under Internal Revenue Service regulations, on or before filing an application for a tax credit; and
- (9) The grant of the application of a tax credit shall entitle the owner to a credit only for the succeeding tax year. There shall be no carryover tax credit.
- (b) In lieu of the property tax credit provided in subsection (a), an owner otherwise qualifying for the tax credit under subsection (a) where any titleholder is 75 years of age or over on or before June 30th preceding the tax year for which the credit is claimed and the combined income of all titleholders to the applicable property for the calendar year immediately preceding the date of the application does not exceed [\$50,000,] \$60,000, shall be entitled to a real property tax credit equal to the amount by which the taxes calculated for the property exceed three percent of the titleholders' income."

SECTION 3. The council is aware that at the time this bill is considered for final approval by the council, there may be other bills that were given final approval by the council but not yet enacted as an ordinance that amend the same provisions of the revised ordinances of Honolulu that this bill amends. If this bill is enacted as an ordinance, the revisor of ordinances shall give maximum effect to all amendments to the revised ordinances made in this bill and made in any other bill situated as described above. The absence in this bill of amendments made in those other bills shall not be construed as a repeal of the amendments made in those other bills.

SECTION 4. Ordinance material to be repealed is bracketed. New ordinance material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the revisor of ordinances need not include the brackets, bracketed material, or the underscoring.



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SECTION 5. This ordinance shall take effect upon its approval and shall apply to tax years beginning July 1, 2010 and thereafter.

INTRODUCED BY:

DATE OF INTRODUCTION:

APR 14 2009

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20____.

MUFI HANNEMANN, Mayor
City and County of Honolulu